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C O N F I D E N T I A L SECTION 01 OF 02 TASHKENT 000605

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TAGS: PREL ECON PGOV UZ SUBJECT: CUTTING OFF YOUR NOSE TO SPITE YOUR FACE - GOU CANCELS INVESTOR ROUNDTABLE DUE TO US PARTICIPATION

REF: A. TASHKENT 400

¶B. TASHKENT 576

Classified By: CLASSIFIED BY: AMB. JON R. PURNELL FOR REASONS 1.4 (B) A ND (D).

11. (C) Summary: When the Ambassador, at the invitation of the MFA, decided to attend a provincial investment roundtable in Andijon, the GOU quickly canceled the event. A Deputy Minister of Foreign Economic Relations, several other government officials and a handful of diplomats were already participating in the first of three such roundtables scheduled to take place in the Ferghana Valley. Diplomats who attended the Ferghana City event believed something was going on in Andijon that the government did not want them to see. It is incredible to see just how far the GOU is willing to go to keep the Ambassador from engaging with Uzbeks in the regions. The irony of the whole episode, however, is that canceling the roundtable provided the Ambassador with more opportunity to engage directly with ordinary Uzbeks. End summary.

INVESTMENT ROUNDTABLES, COME ONE, COME ALL . . .

(C) As part of a larger public strategy to promote investment, the Ministry of Foreign Economic Relations, Trade and Investment (MFERTI) together with the Uzbek Chamber of Commerce and Industry has organized a series of roundtables in all provincial capitals with the aim of attracting foreign capital. According to MFERTI, the purpose of the seminars is to showcase successful joint-ventures and potential investments. The first of the roundtables were to be held in Ferghana City, Andijon and Namangan March 15 through 17. Given the GOU's recent attempt to cancel nearly the entire schedule of the Ambassador during a visit to Bukhara (ref A), Post decided that the MFA's open invitation to all diplomatic missions was an opportunity not to be missed. The March 16 discussion provided an officially sanctioned possibility to interact with regional officials, deputy ministers, and local businessmen in Andijon. When Post informed the Uzbek Chamber of Commerce and MFERTI of the Ambassador's interest, both organizations responded positively, even welcoming his remarks, if the schedule would allow. However, just before emboffs departed for the Ferghana Valley, the MFA requested a dipnote to officially confirm the Ambassador's attendance.

13. (C) By the time emboffs reached Ferghana, the MFA had sent a new dipnote to many missions postponing the remaining events in the Valley. According to the dipnote, the GOU decided to cancel Andijon and Namangan because of the Navruz holiday and a visit by Kazakhistani President Nursultan Nazarbayev. Clearly this was a last minute decision, as the March 15 Ferghana City event, led by a Deputy Minister of MFERTI had already begun. The handful of diplomats who participated in Ferghana City, including the Chinese DCM and diplomats from Kyrgyzstan, Georgia and Pakistan, had intended to visit all three Valley cities. According to the Kyrgyz Commercial Attache, the MFERTI representative announced that the afternoon session of the Ferghana roundtable and the two following day sessions in Andijon and Namangan must be canceled, as he was called back to Tashkent for an emergency. However, another government representative said that Andijon was not prepared for the event, and therefore it had to be postponed. According to the Kyrgyz representative, the diplomats were all sure that something must be happening in Andijon that the government did not want them to see. A local journalist who attended a dinner discussion with the Ambassador said she attended the investment seminar as well and was quite optimistic regarding the effort.

PLEASE GO AWAY

¶4. (C) Despite the cancellation, the Ambassador traveled on to Andijon the morning of March 16. At the provincial governor's office (Hokimiyat), the scheduled venue for the discussion, a clearly flustered official feigned ignorance at first, but when presented with a copy of the dipnote

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invitation, ran inside to "check" on things. During this time, the Ambassador was not even allowed inside the Hokimiyat's front gate, much less in the building itself. When the government representative returned, he confirmed that the event was canceled. Clearly the cancellation was a last minute decision. Even the string of MVD officers lining the street to the Hokimiyat, likely to escort the VIPs from Tashkent into town, had not been informed.

DEPUTY MINISTER INVITES EMBASSY PARTICIPATION

15. (C) In a March 24 meeting in Tashkent, Deputy Minister of Foreign Economic Relations Khasanov, who had himself led the government delegation in Ferghana City, asked to meet with PE Chief on a different topic. When she told him that she and the Ambassador were in Ferghana on the day of the roundtable and planning to participate in Andijon, he seemed quite happy. When PE Chief asked why the event had been canceled, he said that he received a phone call from Tashkent around lunch time and was ordered to return to the capital. He stressed, however, that the Andijon event had not been canceled, merely postponed, and that MFERTI would welcome Post's participation. He said that the other roundtables would continue as planned, and hoped we would be able to attend.

COMMENT: CUT OFF YOUR NOSE TO SPITE YOUR FACE

16. (C) Comment: It is remarkable that the GOU would go this far to keep the Ambassador from attending an event in the regions. In Bukhara, the forced cancellations only affected the U.S. In this case, however, postponing the event really hurt no one but the Uzbeks themselves. The very idea of holding a roundtable to attract foreigners, but then canceling it when they agree to attend is ludicrous. While we cannot say with 100 percent certainty that the Ambassador's planned attendance is what led to the official postponement of the Andijon and Namangan events, the timing,

multiple "official" excuses, and general nervousness of all involved spoke volumes. The irony of this whole episode, however, is that in canceling the official roundtable, the Ambassador and Embassy delegation had far more time and opportunities to interact directly with ordinary Uzbeks (ref B.) Post intends to take Khasanov up on his offer, and attend other provincial roundtables. We will see how the GOU responds!